

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, January 19, 2005

In attendance: Merideth Hackney, SCO Kelly Nielsen, AGRI
 Ray Ineck, LSO Don Robbins, IIC
 Nancy Handzel, IDWR Randy Smith, H & W
 Anita Calhoun, SCO Darla Rankin & Kristi Kelly, SCO

Agenda 1: Approve minutes. Ray Ineck made a motion to accept the minutes for December 15, 2004; Don Robbins seconded the motion. Minutes accepted as written.

Agenda 2: New policy for Notes Receivable write-offs: *The Loans Receivable: Collections and Write-Offs Policy and Procedure* section went out for review December 7, 2004. The review period ended January 6, 2005. The committee reviewed the responses and agreed to make some changes. (Kelly)

Agenda 3: New policy for Job Candidate Travel Reimbursement: The revised policy and procedure notes for *Job Candidate Travel Reimbursement* were reviewed by the fiscal officers and approved by the FPAC Committee. They were prepared and sent to Keith Johnson, State Controller, for final approval on 1/24/05. (Anita)

Revisions were made to the “suggested wording” for the Travel Policy for the Board of Examiners. The revised suggested wording is as follows:

#4. EXPENSES NOT ALLOWED

The following will NOT be paid by the State:

- A. Expenses of a personal nature incurred for the convenience of the traveler including travel by indirect routes or stop-overs for personal reasons; or leaving early or returning later than necessary on a trip. It is acceptable for the traveler to leave their home station in reasonably sufficient time to arrive at an airport’s recommended pre-departure time.

#11. MEALS NOT ALLOWABLE

- 4. Reimbursement will not be made to an employee for meal expenses when the employee left their home station earlier than reasonably necessary to meet an airport’s recommended pre-departure time.

The changes were sent out for policy review 1/24/05. (Merideth)

Agenda 4: Policy for “due to/due from” disputes: Procedures recommended by Ray Ineck were passed on to SCO Reporting & Review (Darla Rankin and Sherrill Geddes) and to the Board of Examiners (Patrick Hodges) for implementation.

Agenda 5: Expenditures: Independent Contractors/Employee: The polling showed the agencies felt the current policy was sufficient “as-is”. The suggested link, (www.irs.gov/pub/irs-pdf/fss8.pdf), is already listed on page 6 of the policy as <http://ftp.fedworld.gov/pub/irs-pdf/fss8.pdf>.

Agenda 6: Software Capitalization: Darla Rankin and Kristi Kelly of SCO reviewed the possibility of reporting software as a capital asset (as GASB appears to be contemplating making it a requirement.) The committee will review dispersed materials and review at the February 16th FPAC Committee meeting.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, February 16, 2005

Current agenda items:

1. Approve minutes
2. Review status of new policy for Notes Receivable write-offs. (Kelly)
3. Review status of *reimbursement of travel expense* issues:
 - a. Travel Reimbursement—Increased time requirements due to national security concerns (Merideth)
4. Review *Software Capitalization* along with FPAC policy (Capital Assets) (Darla Rankin and Kristi Kelly). Review grant requirements with Randy Smith and DFM viewpoint with Dave Fulkerson.
5. Review FPAC Policy: General Accounting: Expenditures Employee Entities/Associations, Etc.

Future agenda items:

1. *Reverse Trade Mission Reimbursement Policy.*

Schedule of future policy reviews for 2004:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> February 16 | General Accounting: Expenditures Employee Entities/Associations, Etc. |
| <input type="checkbox"/> March 16 | Expenditures: Prepayments |

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, February 16, 2005

In attendance: Merideth Hackney, SCO
Don Robbins, IIC
Nancy Handzel, IDWR
Anita Calhoun, SCO

Kelly Nielsen, AGRI
Randy Smith, H & W
Dave Fulkerson, DFM
Darla Rankin & Kristi Kelly, SCO

Agenda 1: Approve minutes. Nancy Handzel made a motion to accept the minutes for January 19, 2005; Don Robbins seconded the motion. Minutes accepted as written.

Agenda 2: New policy for Notes Receivable write-offs: *The Loans Receivable: Collections and Write-Offs Policy and Procedure* section is being updated by Kelly Nielsen and will be reviewed at the March 16th committee meeting. (Kelly)

Agenda 3: New policy for Job Candidate Travel Reimbursement: The “suggested wording” for the Travel Policy for the Board of Examiners was received back from review by the fiscal officers. The responses were reviewed and the wording approved by the committee members. Anita forwarded the information to Patrick Hodges for submission to the board. (Anita)

Agenda 4: Software Capitalization: GASB is working on a standard requiring software capitalization and SCO would like to implement the policy now but wants to make sure it would not come at a cost to the state (e.g. through the loss of federal cost recovery). Darla Rankin reviewed the process with Dave Fulkerson of DFM and Randy Smith of H&W. The individual agencies may have to continue to charge software and enhancements as direct expenses, if allowable in the grant requirements, in order to receive immediate reimbursements from the federal government. The members believe that it may be possible to allow the agencies to direct expense these items and then, for CAFR purposes, have SCO adjust the expense for capitalization. Dave will review the idea with the budget analysts for possible implications. The committee approved SCO’s request to early implement with the stipulation that there would be no adverse fiscal impact to the state. (Dave)

Agenda 5: General Accounting: Expenditures Employee Entities/Associations, Etc.: The committee reviewed the policy and believes no changes are needed, but asked that Ray Ineck with LSO be contacted for his input. (Ray)

Other Business: Merideth suggested Patrick Hodges be invited to the next FPAC committee meeting to share with the committee a demo of his IBIS presentation. The Committee agreed and Merideth later extended the invitation to Patrick, who accepted the invitation.

Anita requested next month’s policy review be changed to *Expenditures: Capitalized Leases*. The committee approved the change in agenda. (Anita)

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, March 16, 2005

Current agenda items:

1. Approve minutes
2. Review status of new policy for Notes Receivable write-offs. (Kelly)
3. Review FPAC Policy: General Accounting: Expenditures Employee Entities/Associations, Etc. (Awaiting Ray's review for final approval)
4. IBIS Presentation: Patrick Hodges
5. Review FPAC Policy: Expenditures: Capitalized Leases, and Revenues: Net Leasing Activities

Future agenda items:

1. *Reverse Trade Mission Reimbursement Policy.*

Schedule of future policy reviews for 2004:

- | | |
|------------|--|
| □ March 16 | Expenditures: Capitalized Leases
Revenues: Net Leasing Activities |
| □ April 20 | Expenditures: Prepayments |

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, March 16, 2005

In attendance: Merideth Hackney, SCO Ray Ineck, LSO
 Don Robbins, IIC Randy Smith, H & W
 Dave Fulkerson, DFM Patrick Hodges, SCO

Agenda 1: Approve minutes. Merideth Hackney made a motion to accept the minutes for February 16, 2005; Randy Smith seconded the motion. Minutes accepted as written.

Agenda 2: New policy for Notes Receivable write-offs: *The Loans Receivable: Collections and Write-Offs Policy and Procedure* section is being updated by Kelly Nielsen and will be reviewed at the April 20th committee meeting. (Kelly)

Agenda 3: General Accounting: Expenditures Employee Entities/Associations, Etc.: The committee reviewed the policy and decided no changes were needed. Policy review date updated on-line.

Agenda 4: Patrick Hodges gave an IBIS presentation/demo. He gave a basic update of the project, showed how to build a report, how to use a cube, and answered questions. The group appreciated seeing it and was excited to have it available. Thank you, Patrick.

Agenda 5: Review FPAC Policy: Expenditures: Capitalized Leases, and Revenues and FPAC Policy: Net Leasing Activities: The group reviewed revisions to the Capital Lease, and Revenues policy and suggested some changes be made and reviewed at the April FPAC Committee meeting. There were no comments or suggested changes to the Net Leasing Activities policy.

Other Business: The committee discussed the need to fill the vacant committee seat. Candidates were reviewed. Discussion will continue.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, May 18, 2005

Current agenda items:

1. Approve minutes
2. Review status of new policy for Notes Receivable write-offs. (Kelly)
3. Review FPAC Policy: Expenditures: Capitalized Leases, and Revenues and FPAC Policy: Net Leasing Activities
4. Review candidates for empty FPAC committee seat
5. Review FPAC Policy: Expenditures: Prepayments

Future agenda items:

1. *Reverse Trade Mission Reimbursement Policy.*

Schedule of future policy reviews for 2005:

- | | |
|----------------|---|
| □ May 18 | <u>Expenditures:</u>
Prepayments |
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| □ June 15 | <u>General Information:</u>
Federal Issue Section |
| □ July 20 | Internal Controls |
|
 | |
| □ August 17 | <u>Investments:</u>
Interest Earnings Internal Service Funds |
|
 | |
| □ September 21 | <u>Cash & Cash Equivalents:</u>
Deposit Liabilities |
|
 | |
| □ October 19 | <u>Expenditures:</u>
Taxable Fringe Benefits |
| □ November 16 | Third Party Payer 1099 Reporting (P-Card Policy) |
| □ December 21 | Convenience Fees |
| □ January 18 | Credit Card Fees Policy |

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, April 20, 2005

Meeting postponed until May 18, 2005

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, May 18, 2005

In attendance: Merideth Hackney, SCO Ray Ineck, LSO
Don Robbins, IIC Randy Smith, H&W
Dave Fulkerson, DFM Kelly Nielsen, AGRI

Agenda 1: Approve minutes. Ray Ineck made a motion to accept the minutes for March 16, 2005; Dave Fulkerson seconded the motion. Minutes accepted as written.

Agenda 2: New policy for Notes Receivable write-offs: *The Loans Receivable: Collections and Write-Offs Policy and Procedure* section is being updated by Kelly Nielsen and will be reviewed at the June 15th committee meeting. (Kelly)

Agenda 3: Review FPAC Policy: Expenditures: Capitalized Leases, and Revenues and FPAC Policy: Net Leasing Activities: The group reviewed revisions to the Capital Lease, and Revenues policy and Net Leasing Activities policy. Ray suggested some revisions be made to the Capitalized Leases policy and requested some research be done on Net Leasing Activities and the reporting procedures, before approving the policy. Anita will make the revisions and report back to Ray on the research prior to the next FPAC meeting. (Anita)

Agenda 4: Review FPAC Policy: Expenditures: Prepayments: The group reviewed the Prepayments policy. Merideth will update the procedures section and the group will review it again at the next meeting. (Merideth)

Other Business: The committee chose Ed Bowden of Commerce & Labor to fill the vacant FPAC committee seat.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, May 18, 2005

Current agenda items:

1. Approve minutes
2. Review status of new policy for Notes Receivable write-offs. (Kelly)
3. Review FPAC Policy: Expenditures: Capitalized Leases, and Revenues and FPAC Policy: Net Leasing Activities
4. Review FPAC Policy: Expenditures: Prepayments
5. Review FPAC Policy: General Information: Federal Issue Section
6. Review FPAC Policy: Investments: Interest Earnings Internal Service Funds

Future agenda items:

1. *Reverse Trade Mission Reimbursement Policy.*

Schedule of future policy reviews for 2005:

- | | |
|----------------|---|
| □ June 15 | <u>General Information:</u>
Federal Issue Section |
| | <u>Investments:</u>
Interest Earnings Internal Service Funds |
| □ July 20 | <u>General Information:</u>
Internal Controls |
| □ August 17 | <u>Cash & Cash Equivalents:</u>
Deposit Liabilities |
| □ September 21 | <u>Expenditures:</u>
Taxable Fringe Benefits |
| □ October 19 | Third Party Payer 1099 Reporting (P-Card Policy) |
| □ November 16 | Convenience Fees |
| □ December 21 | Credit Card Fees Policy |

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, June 15, 2005

In attendance: Merideth Hackney, SCO Gene Sparks, LSO
 J. Edward Bowden, CL Randy Smith, H&W
 Dave Fulkerson, DFM Anita Calhoun, SCO

Agenda 1: Approve minutes. Merideth Hackney made a motion to accept the minutes for May 18, 2005; Randy Smith seconded the motion. Minutes accepted as written.

Agenda 2: New policy for Notes Receivable write-offs: *The Loans Receivable: Collections and Write-Offs Policy and Procedure* section is being updated by Kelly Nielsen and will be reviewed at the July 20th committee meeting. (Kelly)

Agenda 3: Review FPAC Policy: Expenditures: Capitalized Leases, and Revenues and FPAC Policy: Net Leasing Activities: Anita Calhoun will update policy with current revisions and review at next FPAC meeting. (Anita)

Agenda 4: Review FPAC Policy: Expenditures: Prepayments: The group reviewed and approved the Prepayments policy. There were no technical or procedural changes made, so the policy and procedure updates will be sent directly to Kelly Hausken for on-line update. (Merideth)

Agenda 5: Review FPAC Policy: General Information: Federal Issue Section: The committee reviewed and suggested several revisions to the policy. The policy will be revised and sent to committee members to review and discuss at next FPAC meeting. (Merideth)

Agenda 6: Review FPAC Policy: Investments: Interest Earnings Internal Service Funds: The committee reviewed and suggested several revisions to the policy. The policy will be revised and sent to committee members to review and discuss at next FPAC meeting. (Merideth)

Other Business: There was no other business addressed.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, July 20, 2005

Current agenda items:

1. Approve minutes
2. Review status of new policy for Notes Receivable write-offs. (Kelly)
3. Review FPAC Policy: Expenditures: Capitalized Leases, and Revenues and FPAC Policy: Net Leasing Activities
4. Review FPAC Policy: General Information: Federal Issue Section
5. Review FPAC Policy: Investments: Interest Earnings Internal Service Funds
6. Review FPAC Policy: General Information: Internal Controls

Future agenda items:

1. *Reverse Trade Mission Reimbursement Policy.*

Schedule of future policy reviews for 2005:

- | | |
|----------------|--|
| □ July 20 | <u>General Information:</u>
Internal Controls |
| □ August 17 | <u>Cash & Cash Equivalents:</u>
Deposit Liabilities |
| □ September 21 | <u>Expenditures:</u>
Taxable Fringe Benefits |
| □ October 19 | Third Party Payer 1099 Reporting (P-Card Policy) |
| □ November 16 | Convenience Fees |
| □ December 21 | Credit Card Fees Policy |

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, July 20, 2005

In attendance: Merideth Hackney, SCO Don Robbins, ICC
 J. Edward Bowden, CL Randy Smith, H&W
 Ray Ineck, LSO Anita Calhoun, SCO

Agenda 1: Approve minutes. Randy Smith made a motion to accept the minutes for June 15, 2005; Ed Bowden seconded the motion. Minutes accepted as written.

Agenda 2: New policy for Notes Receivable write-offs: *The Loans Receivable: Collections and Write-Offs Policy and Procedure* section is being updated by Kelly Nielsen and will be reviewed at the August 17th committee meeting. (Kelly)

Agenda 3: Review FPAC Policy: Expenditures: Capitalized Leases, and Revenues and FPAC Policy: Net Leasing Activities: Revisions to the policy were suggested and will be updated by Anita Calhoun and reviewed at the next FPAC meeting. (Anita)

Agenda 4: Review FPAC Policy: General Information: Federal Issue Section: The committee reviewed and suggested revisions to the policy. The policy will be revised and sent to committee members to review and discuss at next FPAC meeting. (Merideth)

Agenda 5: Review FPAC Policy: Investments: Interest Earnings Internal Service Funds: The committee reviewed and suggested several revisions to the policy. The policy will be revised and the committee will await recommendations from Dave Fulkerson. (Merideth)

Other Business: There was no other business addressed.

STATEWIDE FISCAL POLICY AGENDA

For Wednesday, September 21, 2005

Current agenda items:

1. Approve minutes
2. Review status of new policy for Notes Receivable write-offs. (Kelly)
3. Review FPAC Policy: Expenditures: Capitalized Leases, and Revenues and FPAC Policy: Net Leasing Activities
4. Review FPAC Policy: General Information: Federal Issue Section
5. Review FPAC Policy: Investments: Interest Earnings Internal Service Funds
6. Review FPAC Policy: General Information: Internal Controls
7. Employee Recognition/Retirement Awards: Ray Ineck
8. What rate should employee who travels out of the state part of the day and then back in-state for the remainder, receive? Ray Ineck.
9. Other: Briefly discuss travel reimbursement for employees of another agency.

Future agenda items:

1. *Reverse Trade Mission Reimbursement Policy.*
2. *Travel reimbursement for employees of another agency.* If the paying agency does not code the expenditure as an employee travel costs (because they aren't an employee of that agency) we are not picking up the taxable meals correctly. This causes a problem as the IRS considers the state (not an individual agency) as the reporting entity.

Apparently the paying agency doesn't want to inflate the employee travel costs so they don't want to use that particular sub object. Should a policy be issued; if not, what guidance should agencies be given.

Schedule of future policy reviews for 2005 and 2006:

- | | |
|--------------------------------------|--|
| <input type="checkbox"/> October 19 | <u>General Information:</u>
Internal Controls |
| <input type="checkbox"/> November 16 | <u>Cash & Cash Equivalents:</u>
Deposit Liabilities |
| <input type="checkbox"/> December 21 | <u>Expenditures:</u>
Taxable Fringe Benefits |
| <input type="checkbox"/> December 21 | Third Party Payer 1099 Reporting (P-Card Policy) |
| <input type="checkbox"/> January 18 | Convenience Fees |
| <input type="checkbox"/> February 15 | Credit Card Fees Policy |

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, September 21, 2005

In attendance: Merideth Hackney, SCO Don Robbins ICC
 Ed Bowden, DOL Randy Smith, H&W
 Ray Ineck, LSO Kelly Nielson, AG
 Kristi Kelly, SCO

Agenda 1: Approve minutes. Ray Ineck made a motion to accept the minutes as written. Randy Smith seconded. All in favor of accepting minutes as written.

Agenda 2: Notes Receivable Write-Offs. Kelly reported that there were a few grammatical corrections. The committee decided the word 'consider' left too much to interpretation or judgment. Committee members will give the policy one last critique and e-mail Kelly with any changes. Kelly will bring the final draft for the committee to get out for agency review.

Agenda 3: Capitalized Leases and Net Leasing Activities. Committee accepted the Capitalized Leases Policy and has released for agency review. The Net Leasing Activities Policy has confusing definitions for Net Leases and Triple Net Leases. Dave Fulkerson will meet with Linda Miller (lease specialist with DPW) and get her help with correct definitions. Committee will review at next meeting and release for agency review.

Agenda 4: General Information: Federal Issue Section. Updates were made and Meri cleaned up the policy. An electronic notice will be sent to agencies along with the other policies that are going out for agency review letting them know there are updates to this policy. Since it is 'general information' there is no need for agencies to review.

Agenda 5: Investments: Interest Earnings Internal Service Funds. Committee felt there doesn't even need to be a policy since statute dictates what STO has to do with interest pertaining to internal service funds. The sentence that addresses code needs to be removed. Dave will tweak policy and committee will review at next meeting. Since this really is not a policy, this section will be moved to general information.

Agenda 6: General Information: Internal Controls. The MCS Manual is currently being rewritten. We will put this on hold until the committee hears from Steve. Meri will check with Steve on this issue.

Agenda 7: Employee Recognition/Retirement Awards. Ray said he is being asked by agencies for guidance on what is acceptable for retirement awards. The committee discussed at great lengths what is considered appropriate and found there is no consistency from agency to agency. Dave will ask Brad Foltman and Jeff Youtz if there is any executive philosophy on this subject and will let the committee know at the next meeting.

Agenda 8. Rates for employees who travel out and return to the State in the same day. Agencies have been questioning what rates to reimburse employees for meals that travel out of State and back in the same day. The committee decided each agency should establish their own policy. This policy should be written AND must be consistent among all employees.

Agenda 9. Travel reimbursements for employees of another agency. Ran out of time; this will be addressed at next meeting.

Randy moved the meeting be adjourned (3:30).

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, October 19, 2005

Current agenda items:

1. Approve minutes.
2. Get the final okay on the Notes Receivable Write-off Policy. (Kelly).
3. Get feedback from Dave on meeting with Linda Miller on definitions for net lease and triple net lease. Discuss any further changes to policy and get approval to send out for agency review. (Dave.)
4. Review Interest Earning for Internal Service Funds changes and approve for moving to general information section. (Dave).
5. General Information: Internal Controls. Meri will check with Steve to see where he is with this topic. (Meri).
6. Employee Recognition/Retirement Awards. Get feedback from Dave from meeting with Brad Foltman and Jeff Youtz. (Dave).
7. Travel reimbursements for employees of another agency. If the paying agency does not code the expenditure as an employee travel costs (because they aren't an employee of that agency) we are not picking up the taxable meals correctly. This causes a problem as the IRS considers the state (not an individual agency) as the reporting entity. Apparently the paying agency doesn't want to inflate the employee travel costs so they don't want to use that particular sub object. Should a policy be issued; if not, what guidance should agencies be given. Discuss. (Meri).
8. Reverse Trade Mission Reimbursements. Start discussion. (Kelly).
9. Deposit Liabilities. Start discussion for any updates needed to current policy.

Future agenda items:

There are no future topics at this time.

Schedule of future policy reviews for 2005 and 2006:

	<u>Expenditures:</u>
<input type="checkbox"/> December 21	Taxable Fringe Benefits
<input type="checkbox"/> December 21	Third Party Payer 1099 Reporting (P-Card Policy)
<input type="checkbox"/> January 18	Convenience Fees
February 15	Credit Card Fees Policy

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, October 19, 2005

In attendance: Merideth Hackney, SCO	Don Robbins ICC
Ed Bowden, DOL	Randy Smith, H&W
Ray Ineck, LSO	Dave Fulkerson, DFM
Kristi Kelly, SCO	

Agenda 1: Approve minutes. Dave Fulkerson made a motion to accept the minutes as written. Randy Smith seconded. Minutes accepted as written.

Agenda 2: Notes Receivable Write-Offs. More concerns were discussed. One such concern was whether or not agencies should be instructed to record a loan receivable that, based on past history, would most likely not be collected. It was decided that since the **intent** is a *loan*, a receivable should be recorded. The committee decided it would be better to put the notes and loans receivable policies into one policy. Meri will check with Kelly to see if he has any concerns on these changes. Grammatical changes were brought up and it was decided to have Jim Carter, the SCO's technical writer, review all policies for grammatical errors before sending policies out for review or publishing.

Agenda 3: Capitalized Leases and Net Leasing Activities. The Capitalized Leases policy was sent out for agency review. The due date for responses is Monday, October 24. Kristi will check with the CAFR team to see what information would be helpful to include. Dave Fulkerson met with Linda Miller (lease specialist with DPW) to get correct definitions for triple net leases and net leases. The committee accepted these definitions. A few more changes were suggested and Meri volunteered to follow-up with Kelly with changes. The committee will review any responses to the Capitalized Leases policy and any other suggested changes at the next meeting.

Agenda 4: Investments: Interest Earnings Internal Service Funds. After review, Dave Fulkerson decided this policy should not be put in the general information section. Ray handed out more verbiage for the administrative procedure section. Jim Carter will get the policy into proper format and the committee will do a final review at the next meeting.

Agenda 5: General Information: Internal Controls. Meri is awaiting a response from Steve. Topic will be tabled until Meri gets a reply from Steve.

Agenda 6: Employee Recognition/Retirement Awards. Dave talked to Brad Foltman and Ray talked to Jeff Youtz. Neither Brad nor Jeff relayed any executive philosophy regarding retiree gifts, but were basically in agreement that a best practice would be to use employee contributions rather than state funds for such purchases. Agencies could also follow the guidance in the Employee Recognition policy. It was decided to table the topic for the time being. The issue can be re-addressed in the future, if more definitive guidance is needed.

Agenda 7. Travel reimbursements for employees of another agency. There have been questions from agencies when one agency reimburses another State employee for travel reimbursements. The problem happens when the agency does not record this as a travel expense and taxable meals do not get picked up because of coding. The taxable fringe benefit needs to be recorded. Merideth will look at the current third party payor policy and see if the committee can incorporate this issue within that policy.

Agenda 8: Reverse Trade Mission Reimbursements. (Kelly). To be discussed at next meeting.

Agenda 9: Deposit Liabilities. Ran out of time. Committee will be prepared to discuss at next meeting.

Other: Ray suggested that when discussing the Taxable Fringe Benefits Policy, we invite Brandon Woolfe.

Meeting adjourned at 3:10.

STATEWIDE FISCAL POLICY AGENDA
For Wednesday, November 16, 2005

Current agenda items:

1. Approve minutes.
2. Get the final draft reviewed on the Notes Receivable Write-off Policy. (Kelly).
3. Review final draft of Interest on Internal Service Funds.
4. Review comments received from agencies on Capitalized Leases.
5. Travel reimbursements for employees of another agency. (Meri).
6. Deposit Liabilities. Start discussion for any updates needed to current policy. (All).
7. Reverse Trade Mission Reimbursements. Start discussion. (Kelly).
8. Discuss the Data Universal Numbering System (DUNS) information.

Future agenda items:

There are no future topics at this time.

Schedule of future policy reviews for 2005 and 2006:

	<u>Expenditures:</u>
<input type="checkbox"/> December 21	Taxable Fringe Benefits
<input type="checkbox"/> December 21	Third Party Payer 1099 Reporting (P-Card Policy)
<input type="checkbox"/> January 18	Convenience Fees
February 15	Credit Card Fees Policy

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, November 16, 2005

In attendance: Merideth Hackney, SCO Ed Bowden, DOL
Ray Ineck, LSO David Fulkerson, DFM
Don Robbins, II Randy Smith, H&W

Agenda 1: Approve minutes. Randy Smith suggested two changes. The first being to add David Fulkerson to the attendee list, and the second to add Jim Carter's last name in section 4. Ray suggested that Merideth's name be changed in section 7 from Men to Merideth. Randy Smith made a motion to approve the minutes with the above changes. Don Robbins seconded the motion. All were in favor of approving the minutes with the changes.

Agenda 2: Final draft review on the Notes Receivable Write-off Policy. This agenda item was held for the December meeting.

Agenda 3: Review final draft of Interest on Internal Service Funds. Ed Bowden suggested a change to the Idle Fund Balances definition, removing the "a" and adding an "s" to the word fund in the first sentence. Ray Ineck suggested that the first sentence of the fiscal impact section be deleted and that the second sentence be changed to read "The Internal Service Fund will receive its own interest revenue, enabling it to reduce its billing rate to other state agencies. Randy Smith suggested that the word "will" be changed to "may" in the last sentence in the fiscal impact section of the policy. The policy will be updated for the changes and forwarded to the members for review.

Agenda 4: Review comments received from agencies on Capitalized Leases. This agenda item was held for the December meeting.

Agenda 5: Travel reimbursements for employees of another agency. This agenda item was held for the December meeting.

Agenda 6: Deposit Liabilities. Ray Ineck suggested that the second paragraph in the preface section be changed to "The State has a fiduciary responsibility for these assets until their return to the third party upon satisfactory completion of the commitment." Ed Bowden suggested that the *Idaho Code* section # 59-1014 be added to the first sentence in the Receipt of a Deposit section of the administrative procedures. Ed Bowden also suggested that the first sentence in the Return of a Deposit section of the administrative procedures be changed to read, "When the activity, for which the deposit was being held, has been satisfactorily performed cash should be returned to the entity using transaction code 287." The group discussed changing the second sentence in the default section of the administrative procedures to read, "Should a default or other circumstance occur causing a non-cash asset to become property of the State, the asset should be converted to cash following appropriate agency procedures or guidelines." The policy will be updated for the changes and forwarded to the members for review.

The group also agreed that the policy on Cash & Cash Equivalents Funds Held as an Agent be added to the agenda for review at the December meeting.

Reverse Trade Mission Reimbursements. This agenda item was held for the December meeting.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE AGENDA For December 21, 2005

Current agenda items:

Agenda 1: Approve minutes.

Agenda 2: Review final draft of the Notes Receivable Write-off Policy (Kelly).

Agenda 3: Review Interest on Internal Service Funds Policy.

Agenda 4: Review Capitalized Leases Policy.

Agenda 5: Review Travel Reimbursements for employees of another agency.

Agenda 6: Review changes to Deposit Liabilities Policy.

Agenda 7: Review Cash & Cash Equivalents Held as an Agent Policy.

Future agenda items:

There are no future topics at this time.

Schedule of future policy reviews for 2005 and 2006:

- | | |
|---------------|--|
| | <u>Expenditures:</u> |
| ○ December 21 | Taxable Fringe Benefits |
| ○ December 21 | Third Party Payer 1099 Reporting (P-Card Policy) |
| ○ January 18 | Convenience Fees |
| ○ February 15 | Credit Card Fees Policy |

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
For Wednesday, December 21, 2005

In attendance: Merideth Hackney, SCO Kelly Nielson, Agriculture
Ray Ineck, LSO David Fulkerson, DFM
Don Robbins, II Randy Smith, H&W

Agenda 1: Approve minutes. Ray moved the minutes be accepted as written. Randy seconded the motion. The minutes were approved.

Agenda 2: Final draft review on the Notes Receivable Write-off Policy. There was additional discussion as to the need for both a Notes Receivable and a Loans Receivable policy. Kelly explained his view that while the administrative procedures were very similar between the two, the accounting events were quite different. The committee agreed that was the case. Ray questioned what agencies issued notes. He checked with the CAFR group. Both items are reported on the same line, with only three notes receivable agencies reporting the majority of notes and loans. Because of the small number of agencies, the committee opted to combine the two. Merideth will revise the wording and distribute to the committee via e-mail for approval. If the group confirms the changes, the policy will be distributed to agencies for comment.

Agenda 3: Review final draft of Interest on Internal Service Funds. When beginning discussion on this item, committee members had different versions of the document. Merideth believed all changes had been made, but she will confirm this with Jim (Carter, SCO). She will notify the committee and with e-mail verification will distribute to agencies for comment.

Agenda 4: Review comments received from agencies on Capitalized Leases. This agenda item was held for the January meeting so that the CAFR staff can be represented and provide input.

Agenda 5: Travel reimbursements for employees of another agency. Discussion took place regarding the current procedures for withholding tax from employees for taxable meals. Dave explained the process, as he understood it. If the reimbursing agency codes the meals correctly, a report is generated by STARS for EIS. EIS then automatically codes a transaction on that person's next payroll, which calculates the tax. However, Merideth was unsure this was totally accurate based on information she had received from Leslie Mickelson, EIS. Merideth will confirm the process with Leslie.

The committee also discussed the appropriateness of including the information and requirements in the Taxable Fringe Benefits policy. It was agreed this would be a logical change. Merideth will make the modifications and bring them to the next meeting for discussion.

Agenda 6 & 7: Deposit Liabilities, Cash and Cash Equivalents. Again there were multiple versions on the Deposit Liabilities document. Merideth will confirm changes

with Jim and send e-mails to the committee. Ray requested the term 'monies' in the Cash and Cash Equivalents be changed to 'money'. Merideth will coordinate the changes with Jim and distribute to the committee.

Reverse Trade Mission Reimbursements. This agenda item was deferred for the January meeting so that Kelly can get additional information from the Dept. of Commerce and Labor.

With no further discussion items, Ray moved to adjourn the meeting, and Don seconded the motion. Meeting adjourned at 3:15 p.m.

**STATEWIDE FISCAL POLICY ADVISORY COMMITTEE AGENDA
For January 18, 2005, 1:30 p.m.
SCO 4A Conference Room**

Current agenda items:

Agenda 1: Approve minutes.

Agenda 2: Discussion on Loans/Notes Receivable, Interest on Internal Service Funds, Deposit Liabilities, Cash and Cash Equivalents if applicable. (All.)

Agenda 3: Taxable Fringe Benefits. (Merideth)

Agenda 4: Reverse Trade Mission Reimbursements. (Kelly)

Agenda 5: Third Party Payer 1099 Reporting (P-Card Policy). (All)

Other discussion.

Schedule of future policy reviews for 2005 and 2006:

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|--------------------------------------|-------------------------|
| | <u>Expenditures:</u> |
| <input type="checkbox"/> February 15 | Capitalized Leases. |
| <input type="checkbox"/> February 15 | Convenience Fees |
| <input type="checkbox"/> March 15 | Credit Card Fees Policy |